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Date: 06 September 2024

## Notice of meeting

### Business, Infrastructure and Growth Committee

**Date:** Monday, 16 September 2024

**Time:** 8.30 pm

**Place:** Council Chamber, Knowle Green, Staines-upon-Thames TW18 1XB

#### To the members of the Business, Infrastructure and Growth Committee

Councillors:

H.R.D. Williams (Chair)	M. Beecher	S. Gyawali
J.R. Boughtflower (Vice-Chair)	T. Burrell	N. Islam
C. Bateson	D.C. Clarke	A. Mathur
S.N. Beatty	M. Gibson	

Substitute Members: Councillors J. Button, J.P. Caplin, A. Gale, R.V. Geach, D.L. Geraci,  
L. E. Nichols and D. Saliagopoulos

*Councillors are reminded that the Gifts and Hospitality Declaration book will be available outside the meeting room for you to record any gifts or hospitality offered to you since the last Committee meeting.*

**Spelthorne Borough Council, Council Offices, Knowle Green**

**Staines-upon-Thames TW18 1XB**

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# Agenda

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**1. Apologies and Substitutes**

To received any apologies for non-attendance and details of Member substitutions.

**2. Disclosures of interest**

To receive any disclosures of interest from members in accordance with the Members' Code of Conduct.

**3. Southern Access to Heathrow - rail proposals**

**3 - 10**

To consider a report on the Southern Access to Heathrow rail proposals.

# Extraordinary Business, Infrastructure and Growth Committee



**16 September 2024**

<b>Title</b>	Southern Access to Heathrow – rail proposals
<b>Purpose of the report</b>	To make a decision
<b>Report Author</b>	Heather Morgan, Group Head Place, Protection and Prosperity
<b>Ward(s) Affected</b>	All Wards
<b>Exempt</b>	No
<b>Exemption Reason</b>	
<b>Corporate Priority</b>	Community Resilience Environment
<b>Recommendations</b>	<b>Committee is asked to:</b>  1. Decide whether it supports Southern Light Rail or Heathrow Southern Rail
<b>Reason for Recommendation</b>	The Council needs to decide on whether it supports one particular scheme or not. This will make our position clear to the community and government, and will ensure all future decisions are based on that agreed stance.

## 1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none"> <li>Southern rail access to Heathrow has been needed for decades</li> <li>There are two main infrastructure schemes ‘left on the table’ – Southern Light Rail SLR (light rail) and Heathrow Southern Rail HSR (heavy rail)</li> <li>Historically the Council has been supportive of SLR, but a fresh decision is required on the basis of up-to-date information</li> </ul>	<ul style="list-style-type: none"> <li>The Council needs to be clear to the community, residents and businesses which scheme it supports</li> <li>Government is asking stakeholders and Councils to come to a consensus view on which scheme to ‘back’</li> </ul>

This is what we want to do about it	These are the next steps
<ul style="list-style-type: none"> <li>The Council needs to decide which scheme it supports – SLR or HSR</li> </ul>	<ul style="list-style-type: none"> <li>Make a recommendation to Council for final decision</li> <li>Publicise our decision and advise partners, stakeholders and government</li> </ul>

1.1 This report is asking the committee to decide on whether it supports southern rail access to Heathrow via Southern Light Rail (SLR) or Heathrow Southern Rail (HSR).

## 2. Key issues

### 2.1 Background on southern rail access

2.2 There is a clear consensus across business, the airline industry, local communities and the wider region that access to Heathrow airport from the south desperately needs to be improved. The issue has always been how this should be achieved – the most recent example of a rail scheme was the failed Airtrack proposal.

2.3 Over the past few years, the government has undertaken two exercises in an effort to reach a point where there is a ‘clear front runner’ which can deliver southern rail access. There was a market testing exercise back in 2019 which sat alongside a call for Market Led proposals (i.e. schemes that do not rely on the public purse). A number of schemes were put forward including Southern Light Rail (SLR) and Heathrow Southern Rail (HSR). The reports concluded that DfT and Heathrow Airport Ltd needed to provide more direction on minimum requirements to help focus schemes on the ‘right solution’ – effectively in order to then be able to ‘promote’ one scheme to government. Both SLR and HSR withstood this process.

2.4 In the same year, Heathrow Airport Ltd (HAL) undertook an Innovation Partners exercise (as part of their then plan to expand the airport and build a third runway). SLR was successful in this process and were chosen to work with HAL on a feasibility study. This did not progress due to the high court decision on the third runway, and the subsequent global Covid-19 pandemic.

2.5 HAL have long stated that there is a need for southern access to Heathrow. They have only recently confirmed their support in principle for HSR but are unable to commit to any funding due to Regulated Asset Base (RAB) limitations. They have also advised that the Light Rail option has not been ruled out.

### Southern Light Rail (SLR) and Heathrow Southern Rail (HSR)

2.6 These schemes are both looking to provide privately funded rail access to access to Heathrow from the south. However, their vision, objectives and outcomes are very different.

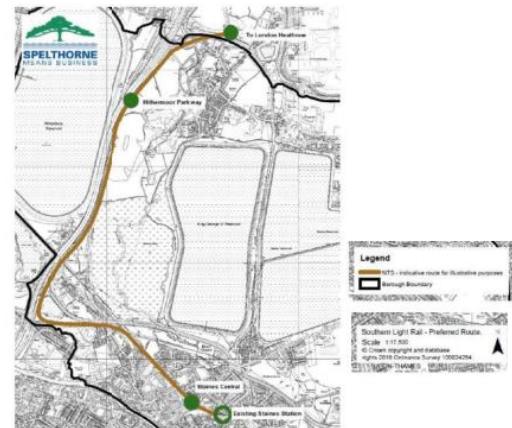
2.7 Southern Light Rail is a light rail option which delivers a number of significant outcomes for the borough, its residents and the environment, at around a third of the cost of a traditional heavy rail solution. Heathrow Southern Rail focuses

more on the wider regional connectivity, alongside improved connectivity for Spelthorne to the airport.

- 2.8 The slide below provides a visual and some key information on both schemes (taken from the Arups report commissioned by Heathrow Strategic Planning Group ‘Compare and Contrast’ report – see para 2.14 below).

## Introduction

### Context



### Heathrow Southern Rail Scheme

- Heavy Rail
- ~12 km of new track including ~10 km of tunnel
- Stations: Potential serving more than 12 existing stations incl. Staines and Ashford with proposed new stations outside Spelthorne
- Services: 6 to 10 services per hour from Staines to terminal 5 including extended Elizabeth line

### Spelthorne Light Rail Scheme

- Light Rail – automated driverless system enabling high frequency
- Elevated throughout the ~8km route
- Stations: Heathrow Terminal 5 - Staines with potential intermediate stations at Hithermoor (for P&R) and Staines town centre.
- Services: Demand responsive automated 24/7 service. New independent light rail service.

- 2.9 **Background paper 1** sets out the key details of the SLR scheme. The scheme has been designed around CREAM principles:

C (Capacity, speed and connectivity)  
 R (Reduced environmental impact)  
 E (Effective, reliable and resilient)  
 A (Affordability and cost effectiveness)  
 M (Maximising economic prosperity)

- 2.10 **Background paper 2** sets out the key details of the HSR scheme. The key objectives of this scheme are to:

1. Connect Heathrow’s key markets with direct services at high frequency
2. Enable services that are also attractive to non-airport uses to maximise revenue
3. Avoid/minimise adverse community and environmental impacts
4. Be fundable and deliverable
5. Deliver local benefits

### Heathrow Strategic Planning Group

- 2.11 In 2023, a report was commissioned by HSPG (of which we are part) in partnership with the Heathrow Area Transport Forum (HATF) to look at the development of a rail connection to Heathrow from the south. It sought to “understand each party’s objectives and requirements of the scheme and what would be required to build consensus around the HSR option in addition

to understanding the key challenges for the scheme as outlined by HSR Ltd” with a view to “exploring whether consensus around a single scheme could be secured”. Spelthorne were consulted as a key stakeholder and raised an objection to the HSR proposal due to a range of concerns including adverse local environmental impacts, lack of connectivity, and costs. We also pointed out the significant benefits of the SLR scheme.

- 2.12 The conclusion was that whilst there was majority support for HSR, there were two major scheme risks which related to the (1) cost and funding of the scheme and associated delivery model and (2) the position of Spelthorne Borough Council in opposition to the scheme.
- 2.13 One of the report’s recommendations was for HSR to engage with Spelthorne at a senior level to explore requirements for their support for the HSR scheme. Another was for a full and objective assessment of the SLR scheme against the HSR scheme. An Executive Summary of this report is attached at **Background paper 3**.
- 2.14 HSPG subsequently undertook a ‘compare and contrast’ exercise between SLR and HSR. The aim “was, for a specific list of criteria agreed in consultation with SBC, to understand how the SLR scheme compares to the HSR scheme, for Spelthorne and its residents in particular”. The report is attached at **Background paper 4**.
- 2.15 It assessed both schemes against a number of criteria (1) connectivity for Heathrow staff living in Spelthorne (2) economic prosperity (3) affordability for Spelthorne residents (4) public realm and accessibility (5) impact on Staines Moor (6) deliverability of the scheme (7) transport integration (8) physical connection to Heathrow Airport (9) wider benefits.
- 2.16 The summary and conclusions of that report are set out below:



## Summary

### Differentiators and risks/uncertainties

Key differentiators of HSR

- Greater connectivity and seamless integration with the existing heavy rail network including direct link to Heathrow CTA and central London
- Benefits from connecting Staines to the Elizabeth Line and wider spatial extent of benefits across the region
- Interest and engagement from MTR Board for next phases

Key outstanding risks / uncertainties

- Funding gap and delivery/operating model
- Track capacity utilisation on rail network potentially limiting service frequency
- Economic returns to Spelthorne Borough through direct connection by heavy rail dependent on service frequency

*Refer to the outcome of the independent review for more detail on the evaluation of the HSR Ltd scheme*

Key differentiators of SLR

- Proposed demand responsive service from Staines
- More opportunity to enhance economic prosperity and direct economic returns to Staines town centre for faster and cheaper delivery costs, provided a connection to T5.
- Delivery would not utilise capacity on the rail network

Key outstanding risks / uncertainties

- Station connection at Heathrow Terminal 5 is likely to incur significant technical and cost challenges given the airport environment. No solution is currently being proposed by SBC.
- Overall cost, including provision for a “turn-up-and-go” service, and associated investors
- Lack of wider coverage and benefits beyond Spelthorne

# Conclusions

- A key conclusion from this exercise is that the two proposed Heathrow southern access schemes have different priorities and therefore achieve different outcomes. This is highlighted throughout the exercise, from service levels to wider benefits. It is therefore key for HSPG and HAL to confirm whether the priority for a Southern Access Link to Heathrow is a more comprehensive regional reach or a more affordable local access and regeneration scheme.
- From our engagement with scheme proposers, it is clear that the HSR scheme is further developed than the Southern Light Rail scheme. This is the case both in terms of concept, but also with regards to stakeholder engagement beyond HSPG and with investors. This has contributed to varying levels of confidence in the comparison of the two schemes across the various criteria.
- One significant uncertainty resulting from the current level of detail provided by SBC is around the viability and cost of the connection to the airport at T5.
- Given the different outcomes and scale of impact achieved by each scheme, consideration should be given to the development of a package of transport solutions that would enhance the benefits for both regional and local residents and stakeholders.
- Although both schemes are considering a market-led route, which is welcome by HSPG and other stakeholders as it enables delivery without central government funding, neither scheme has at this stage a robust demonstration of the funding mechanism without significant third-party support. This, together with a clear delivery model and entity, would be a key differentiator for scheme feasibility.

## Recommendations and next steps:

- HSPG and HAL to confirm key priority outcomes for a Southern Access to Heathrow connection;
- HSPG to consider the complementary aspects of both schemes;
- SBC to review and confirm the connection of SLR at T5 and agreement with Heathrow;
- SBC to re-investigate and confirm investors' interest in SLR;
- SBC to consider the merits of HSR if it were to achieve higher service ambitions and to include the complementary measures suggested;
- HSR Ltd to confirm resolution for current funding gap;
- HSPG to consider doing a robust alternatives assessment or TAG-compliant independent economic assessment that would seek to quantify both costs and benefits associated with each scheme.

## Councillor briefings and engagement

- 2.17 In order to ensure that all councillors have a clear understanding of the two schemes, their differences and benefits, two informal all councillor briefings have been held which included a Q& A session. A presentation on SLR was given on 11 January (**Background paper 1**) with one from HSR on 20 February (**Background paper 2**). They have provided further information in response to a significant number of questions and concerns which were raised, which has already been circulated to all councillors.
- 2.18 There have been subsequent conversations between HSR and the political leadership to explore issues more fully. No decisions have been reached or views expressed at these meetings as it is the role of this committee, and ultimately Council, to do so.
- 2.19 Opportunities for economic growth linked to Heathrow
- 2.20 A recent Centre for London report on 'London and the South East region' (July 2024) highlighted that in Surrey there is 'a pattern of poor connectivity driving economic inactivity in underperforming towns' and 'people may be getting cut off from opportunities'. In its conclusion it recommends that the government should prioritise investment in infrastructure to expand access to reliable and quick public transport, that authorities work together to improve connection between local areas and advocates for rail links, bus services and active travel.
- 2.21 From a productivity point of view, the report states in 2022 Spelthorne's productivity was 45% above the UK average. Whilst this is positive, it is still well below that of our neighbours – Windsor and Maidenhead 50% higher, Elmbridge 85% higher and Runnymede 90% higher. The northern wards were also identified as sitting within the top 10 – 20% on the deprivation index (2019). This was common for those boroughs immediately surrounding Heathrow, rather than further away.

- 2.22 Councillors will be aware that around 7% of the borough's population work at Heathrow (around 6,700 people). There are many more who work in supply chain businesses, who are critical to the local economy. The percentage is significantly higher in Stanwell North and Stanwell Moor (c20%). However, due to the lack of connectivity, around 90% access Heathrow by car, especially as there are limited public transport options for shift workers.
- 2.23 Improved connectivity is key to unlocking further economic growth and enhanced career opportunities for our residents.

### **3. Options analysis and proposal**

#### **3.1 Option 1 – fully support SLR**

3.2 If the Council decide to support SLR then it would be re-affirming its previous position. However, this decision would be based on more up to date information/evidence, and importantly, would be the decision of a new cohort of councillors.

3.3 The Council would be sending a clear signal that SLR still represents the best offering for the Borough (notwithstanding the revisions that HSR have made to their scheme in an effort to address our concerns).

3.4 This would mean that as a Council would remain as the sole key stakeholder objecting to the HSR scheme.

#### **Option 2 – fully support HSR**

3.5 Support for HSR would change the current position of the Council which is to object to the proposal. It is perfectly possible for that view to change on the basis of more up to date evidence. It will be for councillors to decide whether the HSR scheme as now presented has positively dealt with and resolved all the concerns which have previously been expressed to the satisfaction of the Council.

3.6 From an HSR perspective this would mean that all key stakeholders would then either be fully on board, or on board in principle. This would enable HSR to move forward with greater confidence in discussions with government and their investors. It would also enable HSPG to reach a consensus view on the one scheme which commands its support.

#### **Option 3 – do not support either scheme**

3.7 There is an option not to support either of the schemes.

3.8 Committee will be aware from looking at both proposals that at this early stage of the design process there is a potential for an adverse environmental impact on Staines Moor. This is designated both as an SSSI and green belt, and has some very significant flora and fauna.

3.9 Spelthorne would then become less important as a key stakeholder in any future discussions. In this scenario, the Council would be a 'passive bystander' and our views would not have the potential to influence whatever scheme might eventually come forwards.

### **4. Financial management comments**

4.1 Both schemes would be financed by the private sector (market led route). The Council is not intending to put in any capital or revenue to assist in delivery.



4.2 If the HSR scheme proceeds, and the Council decides to formally object, a report would come forward requesting additional budget and resources needed to support the Council through the technical and legal process. It is likely we would have use an external expert resource in the same way as we did for the Esso London to Southampton pipeline

4.3 The committee also need to be aware that Heathrow are looking to increase their capacity to become more efficient and effective. They have not ruled a new runway in or out at this stage. More officer time will be required from various teams across the Council (planning, environmental health, sustainability, legal) to cover this work. If the improvements to Heathrow are not dealt with via a Development Consent Order (and are dealt with on an ad hoc basis by the hosting authority – Hillingdon) then we will not be able to claim for our officer time even though we will have to respond on order to protect our communities (as one of the most affected boroughs).

## **5. Risk management comments**

5.1 If the Council does not formally make a decision on which scheme to support, Spelthorne will be less effective in discussions with HSR, other stakeholders and government. There is a risk that 'our voice' would be lost. Even if we end up as an 'outlier' as a result of the recommendation to Council (and retain our objection to HSR), it will be the view of all councillors across the Borough, which will carry considerable weight.

5.2 Being clear on which scheme the Council supports and why ensures that there is no room for misunderstanding, and we can set out what is important.

## **6. Procurement comments**

6.1 There are no procurement implications. Both schemes would be delivered by the private sector, and the Council would have no involvement.

## **7. Legal comments**

7.1 There are no legal implications in making this recommendation.

7.2 If the HSR scheme proceeds, it would be via the Transport and Works Act (as was the case for Airtrack) or as a Major Infrastructure project. Either way, the matter would not be considered or determined at local level. Spelthorne would only be a stakeholder. The process would operate much in the same way as the Esso Southampton to London pipeline project.

7.3 If the Council decided to object, we would need to get in external expertise to assist on the technical and professional front to ensure we put forward the most effective arguments possible. This situation would not apply if the Council remained neutral.

## **8. Other considerations**

8.1 Until schemes are more progressed, it is not possible to say with 100% certainty whether they will impact on Council assets (e.g. Elmsleigh surface car park or Kingston Road car park). The Council will need to ensure that its assets are not adversely affected, and ideally that there is a benefit to the Council.

## **9. Equality and Diversity**

9.1 These matters will be dealt with as 'part and parcel' of any scheme(s) that eventually comes forward.

## **10. Sustainability/Climate Change Implications**

- 10.1 Both schemes will need to ensure that they positively address these issues and take account of key issues such as the impact on Staines Moor SSSI, the need to provide sustainable transport options for our residents who work at Heathrow, delivering a low carbon transport system, and reducing congestion and air pollution.
- 10.2 These matters will be integral to any scheme(s) that comes forward.

## **11. Timetable for implementation**

- 11.1 The next Council meeting is on 24 October 2024. The decision will be publicised and conveyed externally afterwards.

## **12. Contact**

- 12.1 Heather Morgan [h.morgan@spelthorne.gov.uk](mailto:h.morgan@spelthorne.gov.uk)
- 12.2 Daniel Mouawad [dcm.cex@spelthorne.gov.uk](mailto:dcm.cex@spelthorne.gov.uk)

### **Background papers:**

- 1 SLR presentation to councillors January 2024
- 2 HSR presentation to councillors February 2024
- 3 HSPG Executive Summary – HSR Review February 2024
- 4 HSPG SLR/HSR 'Compare and Contrast' report June 2024

The background papers listed above can be found at the below link:

[Document Background Papers - Spelthorne Borough Council](#)